

Moultonborough
2012-2013 School Budget
Recommendations and Comments



Advisory Budget Committee

Wednesday, January 25, 2012

January 25, 2012

To the Members of the School Board, Superintendent
Moultonborough School District
Moultonborough, New Hampshire 03254

The ABC has completed its' review of the 2012-2013 proposed School Budget. At the time of this report, terms for a new three year collective Bargaining agreement have been agreed to between the Moultonborough School Board and the Moultonborough School Staff Association. This Committee has reported separately on the proposed three year contract in our report of January 10, 2012. A copy of this report can be found at www.moultonboroughnh.gov. Costs associated with this contract have been incorporated into the proposed 2012-2013 budget presently under review.

The following report represents the independent opinions and suggestions of the majority of the Advisory Budget Committee Members. We note that selected opinions expressed in this report do not carry 100 % Committee support. Any opinions and suggestions offered by the ABC represent our best efforts to maximize efficiencies, spending power and to consolidate redundancies between the various elements of Town-wide Administration (Town, Library, and School). Our suggestions and opinions should not be viewed as a negative reflection of the dedicated work done by the School Board Members, Superintendent or School Administrative Staff and Teachers.

Budget Summary:

The proposed School Budget for 2012-2013 represents \$14,057,028 as compared to \$13,828,442 for the prior year 2011-1012. This represents an increase of \$228,586; a 1.65 % year-over-year increase. Included in the year over year increase is additional cost of approximately \$173,000 for Special Education primarily resulting from unanticipated District Placements, \$106,000 for increased costs to health care and an increase of \$90,000 for retirement no longer funded by the State. All previously state funded retirement costs for education are now funded at the municipal level. Salaries have increased approximately \$43,000 including annual increases of approximately \$107,000 and \$52,000 for additional required SPED staffing. Offsetting the increases in salary is approximately \$117,000 of salary decreases primarily due to reduction in force at MCS, cut back of federal funds, and the positive effect on replacement staff hired at less tenured salaries. Costs of approximately \$186,000 previously funded by federal grants were eliminated. In addition, expenditures for the operation of the buildings and grounds have decreased by \$28,000 (primarily through favorable negotiations of utility and maintenance contracts). The following represent our collective observations and comments.

OBSERVATIONS & COMMENTS:

Salaries: The proposed budget 2012-2013 includes the impact of the salary increases from the proposed three year collective bargaining agreement. Teachers' combined salaries and wage based employee benefits for the 2012-2013 budget were increased on average by 2.1%. Administrative and non-contractual salaries increased an average of 2.1% plus the added cost of associated wage based employee benefits.

Health Benefits: The increasing cost of health related benefits continues to be a nationwide concern. Historically, the Moultonborough Collective Bargaining Agreements have specified plans, carriers and employer/employee cost sharing arrangements. Multi-year contract arrangements, so narrowly defined, provide very limited opportunity for the Administration to react to the significant fluctuations in cost.

The ABC is encouraged and supportive of the following language added to the proposed contract.

During the course of this agreement, either party can initiate a joint labor/management committee to examine options to current health insurance plans with the goal of identifying options that offer equal or better coverage at a savings to both the District and the employee. Recommendations will be made to the School Board and MSSA negotiations teams and must be ratified by both parties. Any agreement so ratified and approved shall become effective during the term of this agreement at the agreed upon date.

The ABC continues to request that the District undergo competitive analysis (contractual and non-contractual positions) of its current “Benefits” package including, employee/employer benefit contribution rates and initiate alternatives for reducing the overall cost of health benefits while continuing to provide competitive coverage to its employees.

Athletics: The Committee is opposed with the inclusion in the 2013 budget of a full time Athletic Director. While the athletic program currently offered by the District encompasses approximately 39 various programs, the Committee would like to see the District take a longer view of the situation in light of the declining enrollment numbers. We believe that Athletics are an important and positive influence on our youth. In order to maintain a robust program for team athletics as enrollment continues to decline this Committee believes that the District should continue to explore and expand cooperative team programs with Inter-Lakes. We would suggest that the AD position be funded as a part time position or combined with an existing teaching position. Should the current demographic conditions change the position could be expanded to full time.

The Districts’ rationale for a full time AD was outlined in the Athletic committee minutes of November 1, 2011 as follows: *Managing 39 teams is a full-time position and is in line with other schools with a similar number of programs such as inter-lakes and Newfound. It’s possible that if student enrollment declines, then the number of programs and / or teams will decrease. If that happens, then this position might include some other responsibilities depending on what area of certification the AD might be qualified to teach. For instance, the AD might teach one or more classes daily if and when the need for a full-time AD no longer exists.*

Ancillary to the discussion of hiring a new full time Athletic Director, the Town undertook a study of Town and School wide athletic programs. The intent of the study was to address opportunities for synergies between the two programs and identify opportunities to improve and strengthen the quality of program offerings to the community by joint collaboration of both the School and Town programs. This Town has a unique and short window of opportunity to reorganize with the recent resignations of three of the four full time athletic personnel (MA Athletic Director, and Town Assistant Recreation Director and Town Recreation Assistant). This is an opportunity to make changes, strengthen and improve program offerings through natural attrition without having to make tough personnel decisions. Seldom does an organization get such an opportunity. We report that both the School Board and Select Board did meet in joint session on two occasions for the purpose of discussing potential synergies between the two groups as outlined in the reports. We are disappointed to report that the majority of this committee does not believe that serious consideration of the proposals was undertaken by either party. Both Boards have opted to continue all programs as they currently exist and fill all open vacancies with equivalent personnel.

We strongly suggest that the decision for a full time Athletic Director be delayed until a new Superintendent is identified and he/she can independently assess the requirements. At a minimum, the position (either full or part time) should require that all applicants be certified to teach at least one core curriculum subject.

Technology: Since 2007 the District has embarked on a program to update the technology in Classrooms (program listed in the technology budget detail as “21st Century Classrooms”). In our report of 2011-2012 we addressed the subject of Technology in detail. In response to our concerns the District Technology Committee expressed interest

in putting forth a future detailed “Technology Roadmap” bringing Technology for the District to a “State of the Art” level. It was the intent of the Technology Committee to develop a district technology road map and vision, a three to five year plan leading to one computing device per student.

We note the District did not meet its commitment to provide an adequate detailed “Technology Roadmap for the Future”. The committee continues to believe that a well-developed plan including current technology training and education is critical for adequate education of our students. We believe the emphasis of this five year roadmap should be on technology education versus a five year plan focusing on providing one computing device per student. Providing one device per student may in fact be part of the overall program but should not be the focus of the “Roadmap”.

The committee thinks the program should be well documented; that targeted educational goals and objectives should be explained in detail; that the methods of measuring improved educational results should be part of the written plan as well should the different research approaches that will produce the measured results. The town should have a clear understanding of what the technology research goals are, the long term extent of the plan, how the school will be measuring (ensuring) value to education as a return for the town funding the program(s).

The Committee notes that the budget for next year’s technology purchases is flat compared with the prior year. The Committee would like the Administration and School Board to understand that going forward it will not support any technology purchases other than minimal required maintenance of existing technology until an adequate detailed plan is developed. We further note, the Superintendent has agreed to reconvene the Technology Committee for the purpose of completing the “Roadmap”.

The ABC continues to request the overall “Roadmap” and related cost and acquisition timetable be brought forward to the town for vote.

Co-curricular costs: The Committee continues to believe the amount collectively paid in Co-Curricular Stipends and especially the number of activities covered by Co-Curricular stipends is excessive, especially in light of the policy that these amounts increase the overhead load of all fringe benefits, including but not limited to future retirement benefits. The Committee is encouraged to see that the District has undertaken a review of the current stipends over the past three years and continues to reduce the budget where appropriate. The committee believes there is still an opportunity for further reduction in Co-Curricular offerings. The committee would like the Administration to staff non-core education based co-curricular activities with volunteers from the community and or existing volunteer educators. This Committee will continue to work with the Administration to find opportunities to reduce the cost of co-curricular stipends through the use of community volunteers.

Reserves: The District maintains a Special Reserve Fund for Building and Grounds projects. The projected balance in this fund as of June 30, 2012 will represent approximately \$ 475,100. In addition, the District maintains a Health Self-Insurance Fund. The District purchases a high deductible health insurance policy, and self-insures a portion of the deductible. The projected balance in this fund at June 30, 2012 will represent approximately \$ 435,300. The Committee has ongoing concerns related to the appropriate funding level for both reserves. We continue to work with the district to undertake a detailed review of its’ funding practices. We believe that there is opportunity to return a portion of the self-funded health insurance to Fund Balance. We will continue to work with Administration to further define adequate requirements supporting both reserves.

Staffing levels: As the Board manages declining enrollment trends, teacher staffing will become increasingly complex and challenging. The ABC recognizes this situation and continues to suggest that emphasis be placed on

hiring teachers who are certified to teach several different courses. If the present trend of smaller classes for certain elective courses continue, it is incumbent on the Administration to have maximum flexibility for assigning teachers to a wider range of subjects. This approach would allow as many courses as possible being offered with minimal staff reductions. It is also recommended that existing teachers continue to become certified in additional subjects. All future academic hires at MA should be certified in a minimum of two subjects.

Course curriculum: Moultonborough's economically diverse population and high property tax base affords us a unique opportunity to provide, for all our children, a level of education that most other communities of similar size in the State find cost prohibitive. The Town will vote to spend over \$14,000,000 to educate our children during the 2012-2013 school year. This Committee is concerned that the current course offering, primarily at the Academy, does not provide the most effective use of the \$14,000,000 voted by the taxpayers for education.

We have reviewed the course offerings in detail and identified the following non-core educational courses that we believe should be replaced with academic courses in the disciplines of Math, Science, English and Technology. The courses in question are: Yearbook, Ceramics, Movements in Art & Literature, Drama, Music Technology and Music Theory, Video, Photography, Drawing, Design and Digital Imaging. The committee believes that there is value in the above topics, but that the subjects would be better suited to afterschool co-curricular programs. The Committee further believes that Band and Chorus, similar to sports, should take place outside of the normal academic day.

In addition, this committee notes that there is one math teacher teaching two classes. The remainder of time is spent as a 2/3 curriculum coordinator at the Academy. The committee further notes that each academic area at the Academy maintains a stipend for a Subject Area Leader. We suggest that the Subject Area leaders fulfill the role of curriculum coordinator for their respective areas of expertise. There is also one full time teacher teaching one course. The remainder of time is spent supervising an Independent learning lab assisting independent studies and helping at risk regular education students with projects, homework, taking tests, projects, etc.

The Committee further notes that Wolfeboro offers technical education courses to MA students in the following subject areas: Administrative Business and Office Systems, Agricultural Science I and II, Automotive Science I and II, Auto Collision repair, Child Care I and II, Construction Trades I and II, Culinary arts I and II, Health Science and Technology I and II, Computer Network systems I and II, Marketing Education I and II, Hospitality Education I and II, Multimedia Communications I and II.

These programs while made available to MA students are not widely attended. We believe that all non - college bound students should be strongly counseled to avail themselves of maximum participation in these vocational offerings.

A good measure of return on the Towns annual \$14,000,000 education investment should provide each student graduating from the Academy with a clear path to a further four year education or the skills to immediately enter the work force.

Conclusion:

As stated above, the budget for 2012-2013 as presented by the District reflects a 1.65 % increase (\$228,586) over the 2011-12 School years. Areas for cost containment and more effective use of taxpayer dollars are outlined above. In addition, we believe there are longer term opportunities including but not limited to continued cost

sharing of health benefits, utility contracts, consolidation of Town and District business and human resource offices, and continued consolidation of building and grounds maintenance. Some of the opportunities have either been discussed above or in previous reports. In order to accomplish further improvements and resulting enhanced services it is imperative that all Town Boards (Select Board, School Board and Library Trustees) work together in an open and cooperative manner for benefit of the entire Community. To enable this community to grow we need to work harder at coming together as a community. Nothing remains stagnant forever. In very well run organizations, the policies, procedures, working-relationships and trends are continually reviewed and adjusted to improve conditions and results. Our leaders should seek shared opportunities and interests that draw our school, retirement, business and summer lakefront communities together. We are One Town / and have One Tax Rate.

Respectfully submitted,

Jean Beadle, Chair – ABC

Moultonborough Budget Advisory Committee

Alan Ballard
Jean Beadle
Ed Marudzinski
Tom Randell (ABC Alternate at Large)
Kathy Garry (School Board Representative)
Barbara Sheppard (Library Trustee Representative)
Russ Wakefield (Select Board Representative)